



AGING PROGRAM DIRECTIVE

APD# 21-01-01	
Issuance Date: September 9, 2020	Effective Date: July 1, 2020
Program Area: AAA Administration	Disposition:
Origin: Bureau of Finance	Contact: Finance-Rob Heinlen

SUBJECT AREA AGENCY ON AGING (AAA) PROGRAM REQUIREMENTS, PLANNING ALLOCATIONS AND AGING SERVICES BLOCK GRANT FORMAT FOR FY 2020-2021-REVISION #1

TO Executive Staff
Administration on Community Living
Area Agencies on Aging
PA Association of Area Agencies on Aging
Office of Long-Term Living
PA Council on Aging
Comptroller

FROM _____
Robert Torres
Secretary

PURPOSE The purpose of this Aging Program Directive (APD) is to: (1) delineate financial requirements for FY 2020-21 Area Agency on Aging (AAA) program; (2) provide procedures for the development and submission of the FY 2020-21 Aging Services Block Grant Revised Budget No. 1; and (3) transmit the FY 2020-21 funding allocation levels for each AAA.

BACKGROUND This APD transmits key information required for the submission of the FY 2020-21 Aging Block Grant Revised Budget No.1. The AAAs are to refer to this APD frequently throughout the planning process for the development of these plans.

Federal funding included within this APD incorporate grants provided by the Administration for Community Living:

<u>Grant No.</u>	<u>CAN</u>	<u>FAIN</u>	<u>Award Date</u>	<u>Subaward Period</u>
Title III	1901PAOASS	93.044	10/01/18-09/30/20	07/01/19-06/30/20
Title III	1901PAOACM	93.045	10/01/18-09/30/20	07/01/19-06/30/20
Title III	1901PAOAHD	93.045	10/01/18-09/30/20	07/01/19-06/30/20
Title III	1901PAOAPH	93.043	10/01/18-09/30/20	07/01/19-06/30/20
Title III	1901PAO AFC	93.052	10/01/18-09/30/20	07/01/19-06/30/20
Title VII	1901PAOAEA	93.041	10/01/18-09/30/20	07/01/19-06/30/20
Title VII	1901PAOAOM	93.042	10/01/18-09/30/20	07/01/19-06/30/20
NSIP	1901PAOANS	93.053	10/01/18-09/30/20	07/01/19-06/30/20
SHIP	90SAPG0042	93.324	04/01/17-03/31/20	07/01/19-03/31/20
2001PACMC2-00	2020,299CVCM	93.045	March 20,2020	03/20/20-09/30/21
2001PAHDC2-00	2020,299CVHD	93.045	March 20,2020	03/20/20-09/30/21
2001PASSC3-00	2020,299C3SS	93.044	April 20,2020	03/20/20-09/30/21
2001PASHD3-00	2020,299C3HD	93.045	April 20,2020	03/20/20-09/30/21
2001PAFCC3-00	2020,299C3FC	93.052	April 20,2020	03/20/20-09/30/21

BLOCK GRANT

The funds distributed through the Aging Block Grant include Regular Block Grant, State Caregiver Support Program (SCSP), Federal Caregiver Support Program (FCSP), Nutrition Services Incentive Program (NSIP), APPRISE, Health Promotion, and other categorical funds.

AAAs should continue to refer to APD #97-01-02, "Accounting Manual for Area Agency on Aging Programs", and the Home and Community Based Services (HCBS) procedure Manual for definitions related to specific cost centers and service programs. Any fiscal instructions necessary to complete the contract process, and not included within the Cooperative Agreement and the Accounting Manual, will be cited in this APD.

All AAAs will be organized in a manner which avoids conflicts with the mission and responsibilities of an AAA. At a minimum, the AAA Director and all subordinate staff must be free from any responsibilities for the oversight or operation of:

- Nursing facilities, personal care homes, home health agencies; and
- Any other organization which would be in a position to financially benefit from favorable decisions by an AAA.

MINIMUM PROGRAM AND FUNDING REQUIREMENTS
FOR FY 2020-21

**IN HOME
SERVICE
PARAMETER**

The Pennsylvania Department of Aging (PDA) has established a minimum parameter of 60% of funding levels for the provision of in-home services. The In-Home Services Parameter schedule identifies the minimum amount each AAA must expend on in-home services for the FY 2020-21. The calculation base for the parameter is the Block Grant allocations for the Regular Block Grant, State Caregiver Support Program, Federal Caregiver Support Program, Nutrition Services Incentive Program, categorical allocation-OPTIONS Services, and categorical allocation-Block Grant Supplement.

The following cost centers have been identified as in-home services for the purpose of meeting this parameter: Home Delivered Meals, Passenger Transportation, Home Health, Personal Care, Personal Assistance Service, Overnight Shelter/Supervision, Environmental Modifications, Medical Equipment/ Supplies/Adaptive Devices, Home Support, Adult Day Care, Counseling, Care Management, Protective Services, Guardianship, and Consumer Reimbursement.

**ADMINISTRATIVE
COSTS**

No more than 10% of the funds allocated in the Total Aging Block Grant (*less Health Promotions and OPTIONS Services funding*) may be budgeted and expended in the AAA Administration cost center. No Health Promotions or Options Services funding can be used for administration costs.

AAAs must adhere to the requirements of APD #05-01-10, "Indirect Cost Policy for Department of Aging Contracts". This directive states the maximum indirect costs for direct service contracts with public or private providers shall be the actual indirect costs or 2% of the agency's total direct service costs, whichever is lower. Indirect Costs are only reported in the AAA's Administrative cost center.

**CAREGIVER
SUPPORT
PROGRAM (CSP)**

The CSP allocation can only be budgeted and expended on CSP and FCSP activities and program administration costs. Requirements stipulated for the FCSP allocation are also applicable for the CSP program.

**FEDERAL
CAREGIVER
SUPPORT
PROGRAM (FCSP)**

FCSP funding can be expended on CSP activities and program administration costs as long as federal match requirements are maintained.

AAA administration costs charged to the FCSP allocation must not exceed 10% of the FCSP allocation. Caregiver care plans have a cap of \$200/month. In instances where services above this amount are needed, the care plan cost cap may be exceeded to a maximum of \$500 with proper justification and noted in SAMS. The AAA's aggregate average monthly reimbursement for all FCSP cases shall not exceed \$300. If the AAA's aggregate average monthly reimbursement (based on service deliveries) exceeds \$300, the agency shall limit all new care plans to a \$200 cost cap until the aggregate average reimbursement is \$300 or less. At least 55% of the allocated CSP funding must be budgeted and expended for reimbursement to Caregivers for caregiving-related services and supplies. Of this amount, no more than 20% of the amount budgeted and expended for financial assistance to Caregivers may be budgeted and expended for home modifications and assistive devices.

There is a \$2,000 lifetime cap per Caregiver for the purchase of a Home Modification or Assistive Device, which is subject to the Caregiver's determined reimbursement percentage.

The Department of Aging defines eligible caregiving-related services and supplies as respite services, consumable supplies, supportive services, supplemental services, home modifications, assistive devices and services specific to Grandparents/Older Relative Caregivers.

In administering cost sharing for the FCSP, AAAs must comply with the requirements for determining the reimbursement percentage for Caregivers enrolled in the program (Section V. B. of the CSP Chapter in the Department's Policy and Procedure Manual) using the CSP Reimbursement Percentage Guide (Appendix F.2 of the CSP Chapter in the Department's Policy and Procedure Manual).

**U. S. NUTRITION
SERVICES
INCENTIVE
PROGRAM CASH**

The allocation amounts are based on the number of eligible meals each AAA reported in SAMS as providing during FY 2017-18.

Please note that NSIP expenditures are included in the calculation to meet the in-home services parameter.

APPRISE

Funding for APPRISE must be dedicated to training sessions, Medicare Part D enrollment and information meeting, informational efforts, equipment needs such as laptops and LCD projectors, and other activities

related to Medicare benefits, Medicare Advantage plan selection, Medicare Part D assistance, application for assistance and outreach to enroll people in the low-income assistance programs for Medicare premiums, and long-term care insurance. A minimal amount of funding should be designated to personnel cost. Federal funding for the APPRISE program requires that the program provide Medicare Part D assistance to the Medicaid/Medicare enrolled individual with a mental health diagnosis.

AAAs should carefully analyze its costs allocation methodologies associated with these funds. Funds for telecenters must be expended on the daily operations of the telecenters activities; this money must not be utilized for other activities.

Funding for the APPRISE Program is identified as a categorical allocation in the AAA's Total Block Grant. AAAs must continue to provide APPRISE Program services consistent with the established program requirements.

Funds for the AAA's APPRISE Program must be budgeted and expended on allowable activities in the Information and Referral and/or the Senior Community Center Services cost center(s). AAAs that receive funding for the telecenters and outreach must budget these funds in the information and referral cost center.

HEALTH PROMOTION

AAAs must continue to provide Health Promotion Program services consistent with the established program requirements.

Funds for the AAA's Health Promotion Program must be budgeted and expended on allowable activities in the Senior Community Center Services cost center. The current allocations are based on the approved Health and Wellness plans each AAA submitted in the Spring of 2020.

Title III-D funding cannot be used to pay for administrative costs.

OMBUDSMAN

Each AAA must budget and provide monies for the local ombudsman entity, or for a contracting provider of ombudsman services including: recruitment, training, and volunteer management, to perform activities for the PA Long-Term Care Ombudsman Office subject to policies and reporting requirements contained in APD #16-10-01. All activities must be documented in the statewide reporting system, OmbudsManager, to include full-time equivalency staff and volunteers. The corresponding amounts identified by AAAs are as outlined in the formulary in the attached ABGATCHA on the Ombudsman worksheet.

If the AAA chooses to or is required to utilize a contractor to administer Ombudsman services, including staff, volunteers, and the Pennsylvania Empowered Expert Residents (PEER) program, the entire amount of the

Volunteer/PEER allocation must be provided to the contractor in support of the Ombudsman Volunteer/PEER program.

These funds must be over and above any other funds expended on Ombudsman activities and must be reported in the Ombudsman cost center.

Ombudsman allocations are subject to adjustment in subsequent budget amendments based on the performance of the local ombudsman program in relation to the performance of the volunteer ombudsman component.

Ombudsman Volunteer/PEER allocations are to be used solely for the purposes of recruitment, retention, training and management of volunteers performing activities as ombudsmen for the program.

Acceptable Use of Volunteer/PEER Funds include:

- PEER Training
- PEER recruitment
- PEER training costs
- Copying of PEER training materials
- Meals for PEERs
- Transportation for PEERs
- Any ADL support not provided by the facility in order for PEERs to attend PEER Training

Volunteer recruitment:

- Advertising
- Training costs
- Backyard training sessions
- Meals for volunteers
- Mileage for volunteers

Volunteer retention:

- Ongoing volunteer meetings
- Copying/printing of the ombudsman training materials
- Stipends
- Speakers
- Meals
- Mileage
- Recognition activities

Uses do NOT include:

- Staff costs of mentoring activities
- Meal provisions for certification trainings
- Equipment such as laptops, computers, tablets, phones and LCD projectors
- Staff Time for acceptable use of Volunteer/PEER funds

Regional Ombudsman Contracts:

AAAs that have agreed to hold regional ombudsman contracts must budget these funds in the Ombudsman cost center. PDA will negotiate separate budget and reporting requirements with the AAAs that are hosting the regional ombudsmen. An annual spreadsheet of budgeted expenses should be supplied to the Department and approved prior to the fiscal year. This will also be supplied upon request at any time.

In addition, each AAA must budget an amount of funds equal to the AAA share of ombudsman activities charged to Older Americans Title III funds in FY 2000-01.

The ABGATCHA contains the minimum funds that must be budgeted for ombudsman Volunteer/PEER activities. All ombudsman activities for all ombudsman funding sources, projects and program must be budgeted and expended in the Ombudsman cost center.

PASSENGER TRANSPORTATION SERVICES

AAAs that are not directly receiving Shared-Ride Program funds must not report the funds received by other Shared-Ride Program providers. The amount the AAA plans to expend in co-payments for Shared-Ride service must be reported in the Passenger Transportation Services cost center. The funds used for co-payments must be reflected in the respective funding source such as; Block Grant, local cash, etc.

The Department of Aging reaffirms its intent to promote the coordination and integration of transportation services for older persons with other local transportation systems. AAAs should refer to APD #85-07-01, "Passenger Transportation Services".

LEGAL ASSISTANCE

In all subcontracts procured for legal assistance, the provider standards contained in 45 CFR Section 1321.71 (1988) must be addressed. The Department of Aging requires all AAAs to expend a portion of the AAA's Block Grant funds on legal assistance.

OTHER CATEGORICAL FUNDS

Allocations have been included for those agencies that were awarded additional categorical funds for community and other various grant projects. Specific programmatic and fiscal guidance can be found in the grant application's guidelines and procedures as well as the grant's award notification letter.

**CATEGORICAL
FUNDS-OPTIONS
SERVICES FUNDS**

Guidelines specific to the use of these funds include:

- They are intended to serve additional consumers and provide additional units of service to existing consumers.
- Priority will be given to individuals on the waiting list and provision of protective services.
- Funding will be used for consumer direct services and reported in the following cost centers:
 - Home Delivered Meals
 - Home Health
 - Personal Care
 - Personal Assistance Service
 - Overnight Shelter/Supervision
 - Environmental Modifications
 - Medical Equipment/Supplemental Adaptive Devices
 - Home Support
 - Adult Day Care
 - Care Management
 - Protective Service Intake/Investigation
 - Guardianship
 - Consumer Reimbursement
- Care Management cost center expenditures should be limited to the amount attributable to the increase in consumers being served as a result of this allocation.
- Funding is available for providing contractor rate increases. See #14 below.
- The funding can be used to support information and referral costs associated with evidenced based programs. For guidance on allowable programs please refer to the Aging Technical Assistance Bulletin 12-04-01 “Older Americans Act Title IIID Funding for Evidenced-Based Programs”.

Further guidance related to this allocation can be found in APD 16-01-02.

**CATEGORICAL
FUNDS- BLOCK
GRANT
SUPPLEMENT**

The allowable uses of the funds are:

- Contractor rate increases.
- Supplement ongoing agency operations.
- Hiring additional program staff.

**CONTRACTOR
RATE INCREASES**

AAAs are authorized to provide contractor rate increases up to 2% of their existing rates. Funding that is available for the rate increase includes the

Regular Block Grant, Options Services, and Block Grant Supplement allocations. Any rate increase given to a contractor is at the discretion of the AAA director/administrator.

**LINE ITEM
BUDGET**

PDA will develop “placeholder” budgets for the allocations noted in this APD which will be used until AAA budgets are submitted or entered into the AccuFund reporting system. This is done to facilitate the payment process and ensure AAAs continue receiving monthly payments until their budget documents are received by PDA.

**DELIVERY OF
SERVICES**

The Older Americans Act of 1965, as amended, requires AAAs to give preference in the delivery of services to those older persons with the greatest social and economic need with particular attention to low-income minority individuals, low-income individuals and frail individuals (including individuals with any physical or mental functional impairment). In planning FY 2015-16 program budgets, AAAs should be guided by this requirement as well as their individual goals and objectives in determining funding priorities. “Greatest economic need” means the need resulting from an income level at or below poverty levels established by the U.S. Department of Health and Human Services (<http://aspe.hhs.gov/poverty-guidelines>). The 2018 figures define poverty as being \$12,490 for one person, with each additional person adding \$4,420. “Greatest social need” means the need caused by non-economic factors which include physical and mental disabilities, language barriers and cultural, social or geographic isolation including that caused by racial or ethnic status which restricts an individual’s ability to perform normal daily tasks or which threatens such individual’s capacity to live independently.

Service delivery information in the SAMS/OMNIA data base will be used to determine service levels and the numbers of consumers served.

The appropriateness of the Assessment expenditures to activity will include a review and analysis of SAMS/OMNIA reports of activity. This review will be part of an overall analysis for increased assessment allocations.

**ACCOUNTING
MANUAL**

AAAs must comply with the “Accounting Manual for Area Agency on Aging Programs”, (APD #97-01-02) and applicable federal and state regulations (e.g., 45 CFR Part 95, etc.) in the utilization of Pennsylvania Department of Aging Block Grant agreement funds.

**PUBLIC
HEARINGS**

A public hearing should be held with the issuance of this APD.

**MANDATORY
RETIREMENT**

Neither the AAA nor any AAA vendor may apply a policy of mandatory retirement to positions funded under this Application for Support.

AMENDMENTS

As stated in the Cooperative Agreement, the Department of Aging has the authority to amend the Aging Services Block Grant allocation on an as needed basis. This may occur if the AAA has not expended an appropriate level of its annual allocation by December 31, 2020. Amended allocations may also occur if additional funds are awarded during the year.

FIXED ASSETS

The definition of a fixed asset includes property of a tangible nature with a useful life of more than one (1) year and an acquisition cost of \$5,000 or more. Acquisition cost is defined as the net invoice price of the article plus the transportation charges, installation or setup fees and the cost of any necessary modifications, attachments, programming, or accessories.

When procuring fixed assets or facility space, the AAA must make an appropriate cost analysis of the lease versus purchase alternatives, and the most economical cost alternative must be chosen.

All proposed fixed asset acquisitions must be reflected in the budgeting module of Accufund. Acceptance of a proposed budget by PDA is considered approval for the purchase of fixed assets shown. For acquisitions of additional fixed assets during the year/after the final budget submission, the AAA must receive prior approval from PDA's Bureau of Finance through the submittal of an administrative waiver request. Waivers for fixed asset purchases must be submitted prior to April 30th.

When acquiring or disposing of assets, the AAA must list the following: Purchase/Anticipated Purchase Date, Asset Life, Disposal Date, and Residual Value (at date of disposal) as applicable.

**PROGRAM
INCOME**

APD #05-01-11, "Area Agency on Aging on Aging Program Income Policies", establishes the following policies for the retention of program income collections:

Federal Program Income - All program income generated from services funded, in whole or in part, by federal Older Americans Act funds that is on hand as of June 30, 2020, must be budgeted and expended during FY 2020-21.

Local Program Income – The June 30, 2020, balance of local program income generated from services funded by non-federal sources must not exceed 10% of the AAA's total Block Grant allocation for FY 2020-21 up to a maximum of \$400,000. These funds are to be budgeted and expended in consumer service cost centers.

Options State Cost Sharing Funds – The June 30, 2020, balance of Options State Cost.

Sharing Fund collections must be budgeted and expended during FY 2020-21.

Local fee scale funds received are reported as Options State Cost Sharing Funds.

Failure to comply with these policies may result in the reduction of Aging Block Grant funding to the AAA.

For FY 2020-21, seven (7) cost centers will contain Title III federal funds and all program income earned in any of these cost centers will be considered Federal Program Income. The seven cost centers are Home Delivered Meals, Congregate Meals, Senior Community Center Services, Passenger Transportation, Information and Referral, Legal Assistance, and Ombudsman. NOTE: Home Delivered Meals provided to Aging Waiver consumers may not be purchased with Title III or Block Grant funds. Meals provided to Aging Waiver consumers must be billed for reimbursement through the PROMISE system.

Federal Program Income can only be budgeted and expended in the seven (7) federally funded cost centers.

AAAs will comply with the provisions of APD #05-01-11 concerning excessive balances of program income collections. AAAs are advised that payments of funds on FY 2020-21 Aging Block Grant contracts will be contingent upon the compliance of AAAs with the federal and state requirements for program income and cost sharing fund balances.

If an AAA has excessive balances of Federal Program Income, Local Program Income or Options State Cost Sharing Funds as of June 30, 2020 (Fourth Quarter FRR), its FY 2020/21 Block Grant monthly payment(s) may be reduced or withheld until the AAA achieves compliance with the established program income balance requirements.

Planned expenditures of accumulated, as well as anticipated, collections of program income and cost sharing funds must be included under "Other Resources".

**MATCH FOR
FEDERAL
DOLLARS**

AAAs desiring to use Block Grant funds as match for other federal funding must submit a written request to PDA's Bureau of Finance for authorization. On approval PDA will issue a statement to the AAA clarifying that only state funds are allowable for such a purpose.

BUDGETING

FEDERAL FUNDS

AAAs are strongly encouraged to budget and expend federal allocations and Federal Program Income funds prior to allocating other resources to a federal funded cost centers. This will assist PDA in meeting federal spending parameters.

SENIOR CENTERS

AAAs will request and receive written approval from the Department of Aging's Bureau of Aging Services prior to implementing plans to open, close or relocate a senior center or a satellite senior center.

ASSESSMENTS

Block Grant funds should not be used for assessment costs.

REPORTING

REQUIREMENTS

AAAs are required to submit cumulative monthly expenditure data and/or trial balances to the Department via AccuFund according to the schedule shown below:

<u>Cumulative Expenditures</u> <u>Through</u>	<u>No Later Than</u>
July	August 20th
August	September 20th
September	October 31 st
October	November 20th
November	December 20th
December	January 31 st
January	February 20th
February	March 20th
March	April 30 th
April	May 20th
May	June 20th
June	August 15th

All quarterly reports need to report the application of revenue used.

Additionally, AAAs are responsible for maintaining profile information regarding their agency's operations in the Accufund reporting system.

**COMPLIANCE
WITH
COOPERATIVE
AGREEMENT**

The AAA must comply with all the terms and provisions identified in the Cooperative Agreement between PDA and the AAA.

**TRAVEL
REIMBURSEMENT
RATES**

The Commonwealth of Pennsylvania’s Office of Administration establishes travel, lodging and subsistence allowable maximum reimbursement rates. AAAs are able to access the most current information on the Office of Administration’s web site at www.oa.state.pa.us. This information is found under Management Directives, Management Administration Support, and #230.10 Commonwealth Travel Policy. Please refer to the most recent revision for the approved rates.

**COVID 19
FUNDING**

The federal government has allocated funding in response to anticipated increases in statewide expenditures related to COVID 19. This funding is in the form of Family First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security (CARES) act supplemental awards. As of March 30, 2020, Pennsylvania’s request for a Major Disaster Declaration (MDD) was granted with an effective date of March 6, 2020.

With the granting of the MDD, the disaster relief authority of the Older Americans Act (OAA) was activated. Of particular note is Section 301 (c) which permits states to use any available funding authorized under the OAA for disaster relief to older individuals. Implications of this standard include:

- Any existing Title III funding available at the AAA level can be used in response to COVID 19 identified needs.
- The federal government has authorized The FFCRA and CARES funding allocated under this APD to be “bucketed”. This means all funding is eligible for any services needed and authorized by the OAA. For example, support services funding can be used to provide meals as needed. The noted exception is previously provided NSIP funding must only be used to purchase domestically produced food products.

As additional information is received from the Administration for Community Living it will be distributed to all AAA Administrators and Fiscal Directors.

**LINE ITEM
BUDGET**

PDA has developed “placeholder” budgets for the allocations noted in this APD. They will be supplanted when AAA budgets are submitted and entered into the AccuFund reporting system. This is done to facilitate the payment process and ensure AAAs receive monthly payments until their budget documents are received and approved by PDA.

**BUDGET
SUBMISSION
REQUIREMENTS**

Upon receiving this APD AAAs are responsible for the development of their budget data and information upload into AccuFund. AccuFund inputs are due **30 days** after the issuance date of this directive.

**TECHNICAL
ASSISTANCE**

Questions regarding contents of this APD should be directed to Rob Heinlen (rheinlen@pa.gov) at 717.772.0192 or Zach Sensenig (zsensenig@pa.gov) at 717.783.3471.